

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6563

BILL NUMBER: SB 143

DATE PREPARED: Nov 28, 2001

BILL AMENDED:

SUBJECT: Jurisdiction over Utility Mergers.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires certain corporate transactions involving public utilities to be approved by the Indiana Utility Regulatory Commission (IURC).

Effective Date: July 1, 2002.

Explanation of State Expenditures: This bill increase the authority of the IURC over mergers, reorganizations, or the acquisition of control of certain public utilities. While this bill will expand the IURC's authority over mergers and reorganizations and potentially increase the number of hearings held by the IURC, any impact on the Commission is expected to be absorbed using its current staff and resources. The Office of the Utility Consumer Counselor (OUCC) would also participate in any utility merger approval proceedings. Any additional cost to the OUCC is also expected to be covered using existing personnel and resources.

Background on IURC and OUCC Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2001, fees from the utilities and fines generated approximately \$8.6 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: Indiana Utility Regulatory Commission, *2000-2001 Annual Report*.